

**Washington State Auditor's Office**  
**Audit Report**

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**Clallam Conservation District**  
**Clallam County**

**Audit Period**  
**January 1, 1997 through December 31, 1999**

**Report No. 61982**

Issue Date  
**February 23, 2001**



Washington \_\_\_\_\_  
***State Auditor***  
\_\_\_\_\_  
Brian Sonntag

# Audit Summary

**Clallam Conservation District  
Clallam County  
January 1, 1997 through December 31, 1999**

## ***ABOUT THE AUDIT***

This report contains the results of our three-year independent audit of the Clallam Conservation District for the period January 1, 1997, through December 31, 1999.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated the internal controls established by District management. Our work focused on specific areas that had potential for abuse or misuse of public resources.

## ***RESULTS***

The District complied with state laws and regulations and its own policies. The District had sufficient internal controls in place to safeguard assets. We also found the District's financial statements were complete and accurate.

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Clallam County  
January 1, 1997 through December 31, 1999**

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# Description of the District

## **Clallam Conservation District Clallam County January 1, 1997 through December 31, 1999**

### ***ABOUT THE DISTRICT***

The Clallam Conservation District assists landowners in voluntarily improving their land and provides conservation education to the public. A five-member Board of Supervisors, three elected and two appointed, each serving a three-year term, governs the District. The District is supported primarily by a combination of grants. The number of employees varies depending on grant funding; the number has ranged from 14 in 1999 to three in 2000. The District operated on revenues of \$511,900 in 1999.

### ***ELECTED AND APPOINTED OFFICIALS***

These officials served during the audit period:

Board of Supervisors:

Elected:

Matt Heins  
Steven Marble  
Joe Murray  
Walt Forsberg  
Steve Johnson  
Joe Holtrop

Appointed:

District Manager

### ***ADDRESS***

District

111 East Third Street, Room 2A  
Port Angeles, WA 98362  
(360) 452-1912, Ext. 5

# Audit Areas Examined

## Clallam Conservation District Clallam County January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Clallam Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

### **LEGAL COMPLIANCE**

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Insurance and bonding coverage
- Conflict of interest laws
- Allowability of expenditures

### **INTERNAL CONTROL**

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Payroll
- Cash disbursement
- Property and equipment

### **FINANCIAL AREAS**

In addition to the financial-related work listed in other categories, we audited the following areas:

- Revenues
- Overall presentation of the financial statements
- Expenditures
- Cash and investments

# Audit Overview

## **Clallam Conservation District Clallam County January 1, 1997 through December 31, 1999**

### ***AUDIT HISTORY***

We normally audit the District every three years. The last audit of the Clallam Conservation District was for a five-year period, from 1992 through 1996. There were no findings during that audit period.

The District has been very receptive and responsive to our recommendations. Management appears committed to strong internal controls and compliance with laws and regulations.

### ***CONCLUSIONS***

In the areas examined, we found the District complied with state laws and its own policies and procedures. We also found the District's financial statements were complete and accurate.

We thank District officials and personnel for their assistance and cooperation throughout the audit.

# Independent Auditor's Report on Compliance with State Laws and Regulations

## Clallam Conservation District Clallam County January 1, 1997 through December 31, 1999

Board of Supervisors  
Clallam Conservation District  
Port Angeles, Washington

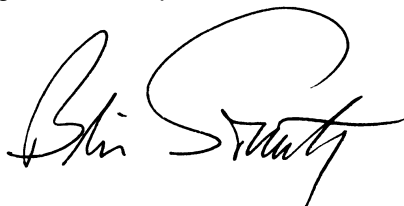
We have audited the financial statements of the Clallam Conservation District, Clallam County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated December 21, 2000.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

December 21, 2000

# Independent Auditors Report on Financial Statements

## **Clallam Conservation District Clallam County January 1, 1997 through December 31, 1999**

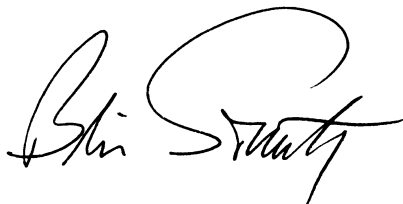
Board of Supervisors  
Clallam Conservation District  
Port Angeles, Washington

We have audited the accompanying financial statements of the Clallam Conservation District, Clallam County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Clallam Conservation District for the years ended December 31, 1999, 1998, and 1997, on the cash basis of accounting described in Note 1.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

December 21, 2000

# Financial Statements

**Clallam Conservation District  
Clallam County  
January 1, 1997 through December 31, 1999**

## ***FINANCIAL STATEMENTS***

Resources and Uses Arising from Cash Transactions – 1999, 1998 and 1997  
Notes to Financial Statements – 1999

## ***ADDITIONAL INFORMATION***

Schedule of State and Local Financial Assistance – 1999  
Schedule of State and Local Financial Assistance – 1998  
Schedule of State and Local Financial Assistance – 1997  
Notes to the Schedule of Financial Assistance – 1997